

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
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For Immediate Release

NEWS RELEASE SUMMARY - May 30, 2006

United States Attorney Carol C. Lam announced that Christopher Brent Belaire pled guilty today in federal court in San Diego to a two-count indictment charging him with filing a false tax return in tax years 2000 and 2001. Belaire admitted to failing to report \$249,098.78 in taxable income for 2000 and \$99,439.00 for 2001. The tax due and owing was \$81,397.43 and \$21,692.62 for 2000 and 2001, respectively. Belaire entered his guilty plea before United States Magistrate Judge William McCurine, Jr., subject to final acceptance of the plea by the Honorable Marilyn L. Huff, United States District Court Judge, at the time of sentencing.

According to Assistant U.S. Attorney Sanjay Bhandari, who prosecuted the case, during 2000 and 2001, Belaire worked as a waiter at PinnFund USA, Inc., and was an associate of PinnFund's Chief Executive Officer Michael J. Fanghella. PinnFund was a Carlsbad-based mortgage lender whose offices were closed on March 22, 2001, as a result of a civil enforcement action instituted by the U.S. Securities and Exchange Commission. Fanghella later pled guilty to wire fraud, money laundering and tax evasion arising from his

improper appropriation of investor funds, including his use of investor funds for his own personal expenses. Nine others were also convicted of related crimes, including former President Keith Grubba, former Chief Financial Officer John Garitta, and several others.

A hearing is scheduled before Judge Huff on August 21, 2006, at 9:00 a.m. for final acceptance of the plea and sentencing.

DEFENDANT

CHRISTOPHER BRENT BELAIRE

SUMMARY OF CHARGES

COUNTS 1-2 False Tax Return, in violation of Title 26, United States Code, Section 7206(1).
Maximum penalty: 3 years' imprisonment per count.

AGENCY

Internal Revenue Service - Criminal Investigation Division